

SPACE CONSOLIDATION

ISSUE SUMMARY:

EPA, with the General Services Administration, regularly evaluates its real estate portfolio – including office and warehouse space and EPA’s laboratory facilities—to make cost effective recommendations for the future, ensure the efficient use of government resources and the long-term sustainability of our facilities.

BACKGROUND:

OMB and GSA are asking Agencies to review space utilization and to right-size federal properties. Two initiatives, the Federal Assets Sale Transfer Act ([FASTA](#)) and Executive Order on Targeting Opportunity Zones and Other Distressed Communities for Federal Site Locations ([August 24, 2020](#)) are supporting these reviews. The Office of Federal Financial Management (OFFM) expects remote work will continue to be significant post COVID-19 which may affect the federal government’s real property portfolio.

Upcoming Milestones:

FY 2021

- Region 3 Chesapeake Bay Program Office (CBPO): Resulting from the lease expiration, the move to another Annapolis location will result in a reduction of nearly 8,000 SF.

FY 2022

- Potomac Yard (Arlington, VA): The Potomac Yard space, housing nearly 1,000 EPA employees, was slated to be consolidated into the Federal Triangle Complex. Due to the Coronavirus pandemic, the project has been delayed requiring a lease extension at Potomac Yard which EPA is working with GSA to establish. Personnel moves from the Potomac Yard building should be completed by the end of fiscal year. Full decommissioning of the PY facility should take approximately 3 months and reduce the agency’s footprint by almost 265,000 SF and \$12M in rent avoidance.
- Region 3 Headquarters (Philadelphia, PA): Relocating from its current location at 1650 Arch Street to 4 Penn Center as a result of the lease expiration. This relocation will result in a net reduction of approximately 136,000 rentable square feet of space.
- Region 9 Field Service Support Facility (FSSC): laboratory was identified for closure based on studies of utilization and is consistent with Federal reduction guidelines. The laboratory functions are to be split between existing laboratory space in Oregon and a smaller operations function to be maintained in the San Francisco Bay area. The remaining operational component will be combined with Emergency response and COOP functions relocated from other existing sites. The consolidation effort will reduce EPA’s footprint by an estimated 39,000 rentable square feet. The consolidation effort is expected to be completed by the end of FY 2022.

FY 2021 thru FY 2023

- La Plaza (Las Vegas, NV): EPA program offices of ORD, OCFO, and OMS-HR made decisions to consolidate program activities and discontinue operations at the Las Vegas site. Subsequently, a plan was developed to consolidate the remaining programmatic requirements located in Las Vegas in concert with the cyclical expiration of leases. A phased release of space began in 2017. The release of Buildings A and B in the La Plaza complex and the space at UNLV were completed in FY 2020. The release of Building C (La Plaza) is projected to be completed in FY 2022 after the Environmental Due Diligence Process is completed and the Nuclear Regulatory Commission license is closed. This will result in a net reduction of over 100K Sq Ft. (roughly 64%) and rent avoidance of almost \$3M by FY 2023.

Planned Consolidation Projects for FY2020 through FY2022 (RSF Released)

Facility	FY 2020 Actual	FY 2021 Target	FY 2022 Target
TOTAL	(116,425)	(24,741)	(450,570)
NY, NY Region 2 (Net Reduction)	(37,801)		
Baton Rouge, LA	(2,122)		
Winchester, TN	(906)		
Louisville, KY	(406)		
Las Vegas, NV (La Plaza Bldg A)	(7,844)		
Las Vegas, NV (La Plaza Bldg B)	(10,414)		
Las Vegas, NV (UNLV)	(55,989)		
Juneau, AK	(943)		
Chesapeake Bay Program Office (Net Reduction)		(7,920)	
Wheeling, WV		(5,857)	
Coeur D' Alene, ID		(1,240)	
Las Vegas, NV (Sunrise Warehouse)		(11,000)	
Philadelphia, PA Region 3 (Net Reduction)			(136,331)
Las Vegas, NV - Building C			(27,224)
San Francisco, CA (FSSC)			(38,855)
Potomac Yard, VA			(264,935)

PROGRESS AND NEXT STEPS

EPA Best/Promising Practices: EPA has submitted the annual Real Property Efficiency Plan to OMB/GSA to consistently review and plan for efficient use of all EPA space. Further, EPA's Strategic Plan includes a Long-Term Performance Goal "to reduce unused office and warehouse space by 850,641 square feet nationwide between FY2018 and FY2022", resulting in a cumulative annual rent avoidance of approximately \$28 million. EPA participates on the Federal Real Property Council; EPA's Senior Real Property Officer (SRPO) is Donna Vizian.

EPA's Successes: Through the third quarter of FY 2020, has released 50,022 square feet of unused office and warehouse space, bringing EPA's cumulative released space from FY 2018 through the third quarter of FY 2020 to 327,450 square feet. EPA is on track to meet the Long-Term Performance Goal target of 850,641 square foot reduction by the end of FY 2022.

EPA's Obstacles/Challenges: Though space consolidation reduces Agency costs in the long run, consolidating locations can be expensive because it requires reconfigurations of existing space and physically moving equipment, furniture, and staff to the new location. COVID-19 has delayed progress on planned EPA consolidations, extending the timeline to meet space release goals and extending cost requirements.

- *EPA Real Property Portfolio notes:* EPA's current facilities portfolio include 131 facilities totaling 9,787,828 square feet. Twenty-seven facilities are EPA-owned (3,380,673 square feet) and 104 are leased (6,407,155 square feet). EPA's estimated FY 2021 rent is \$238.5 million.

KEY EXTERNAL STAKEHOLDERS:

- | | | | | | |
|--|---|--|---------------------------------|---|--|
| <input checked="" type="checkbox"/> Congress | <input type="checkbox"/> Industry | <input type="checkbox"/> States | <input type="checkbox"/> Tribes | <input checked="" type="checkbox"/> Media | <input checked="" type="checkbox"/> Other Federal Agency |
| <input type="checkbox"/> NGO | <input type="checkbox"/> Local Government | <input checked="" type="checkbox"/> Other (Local unions) | | | |

Local Unions are involved in moves and other significant office space modifications. Local media and governments may be concerned with changes or moves within particular areas. Congress may also be concerned with moves of federal personnel.

MOVING FORWARD:

- **Federal Triangle Complex Office Space** – A new timeline is currently being developed for the completion of the relocation of EPA employees from Potomac Yard to the Federal Triangle.
- **Regional Laboratory Space** – As leases near expiration, options are developed for each commercially leased laboratory.

LEAD OFFICE/REGION: OMS

OTHER KEY OFFICES/REGIONS: ORD, ALL REGIONS